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STATEMENT BY SECRETARY OF THE INTERIOR J. A. KRUG BEFORE THE SUBCOMMITTEE ON PUBLICITY AND PROPAGANDA OF THE HOUSE COMMITTEE ON EXPENDITURES IN THE EXECUTIVE DEPARTMENTS.

For Release at 10:30 a.m., Tuesday, June 29, 1948

Mr. Chairman and Members of the Committee

I appear before your committee in the hope of assisting you to reach a sound conclusion on the charges made against me and other officers of the Interior Department and the Bureau of Reclamation. In my opinion, those charges were vicious and misleading.

They were outlined in your press release of February 23 which also referred to "misfeasance" and slyly mentioned the possibility of "impeachment."

I am glad to note that since its original press release of last February 23, the Committee has not mentioned anything more about impeachment charges against myself and other high officials of the Department.

I have noticed a gradual development of restraint in the pronouncements of the Committee since its initial pre-hearing press release and I commend the committee for it.

The charges listed on February 23 were:

1. Improper use of Federal funds for propaganda purposes.
2. Misleading statements, including perjury.
3. Manipulation of employment on Federal projects.

None of these charges has been proven, individually or collectively. On the contrary, the testimony of Bureau of Reclamation witnesses has conclusively disproven them and has, further, revealed numerous glaring errors, distortions, untruths and missions in the testimony of "prosecution" witnesses.

I take no pleasure in controversy for its own sake. I shall stand on the testimony of department and bureau officials who have disproven these charges. I know about the California Central Valley controversies and the efforts of groups there to repeal or nullify the reclamation laws adopted by the Congress to protect the people against land and power monopoly. I had scarcely taken office as Secretary of Interior when these groups--many of whom have since appeared on this witness stand--descended on me with their proposals. I have traveled that valley many times since and heard the story firsthand and I still support those laws. It has not been necessary for me to look into the purposes behind this investigation and I have assumed that the Committee acted in good faith when it was presented with information which appeared to require investigation and hearing.

On this basis, the only conclusion possible is that the Committee has been grossly imposed upon. Senator Downey had met with complete failure in his railings against the Bureau of Reclamation and the existing Reclamation Law before your colleagues on regular Congressional committees having legislative jurisdiction over land laws. He then took his complaints to the Senate Appropriations Committee. There, after Senator Wherry and the other members of the Interior Subcommittee had listened to the charges for months, they closed the hearings without upholding the Downey charges.

Like a gypsy forced to leave each campground and find a new one, Mr. Downey brought his bag of trinkets to your Committee. Your Committee has had to obtain thousands of dollars from the Congress for this investigation. It could have attained the same result with considerable economy by reading the previous hearings.

I am sorry that the committee has had to suffer under this burden of nearly endless, repetitious testimony and reading of books. I am sorry that our competent and loyal department employes have been compelled to spend so many weeks working on this investigation when they could have been pressing forward with western development. I am sorrier still that the committee allowed itself to make a decision on the charges before it had heard from any department or bureau witness. The result of this one-sided decision of May 14 has been to implant in the 1949 Interior Appropriation Law an unconstitutional, improper and administratively loathsome provision aimed at discharging two officials after Jan. 31, 1949.

Moreover, the provision is virtually meaningless. By the time it becomes effective a national election will have occurred. If a Democratic administration and Congress are elected I believe the provision will be repealed. If a Republican administration and Congress come in, there are undoubtedly less crude methods of forcing out of office two men who have enforced the Reclamation laws vigorously and fairly—should the incoming administration choose to do so in spite of its newly-written platform which I notice pledges adherence to the family-sized farm principles.

The testimony of the prosecution in this case has this value. It reveals the true purpose of the Downey charges which are not to expose improper use of Federal fund for propaganda, misleading statements, perjury or manipulation of employment on Federal projects. The Downey charges are solely intended to emasculate the family farm provisions of the Reclamation law, and he has been joined by those not only supporting land monopoly, but also power monopoly.

I hope the committee in reviewing the record will note well that Senator Downey and Congressman Elliott predominantly discussed the alleged impropriety of enforcing the 45 year old land statute, even to the extent of labeling it socialism. The 57th Congress, Republican-led, would be surprised to learn that it decreed socialism for the western states. So would Abraham Lincoln under whom the 160-acre homestead principle was first introduced. The record also shows that the chairman of this committee frequently asked Senator Downey if discussions of the 160-acre law had to do with the charges and, with equal frequency, asked when the Senator was going to get to the actual charges.

The fact is that the committee's own staff had to try to produce what little pertinent testimony was entered in the record on the original charges and that all of it was refuted by department witnesses.

As I stated earlier, I am sorry the committee has been so imposed upon, but I feel sure it will have one beneficial result. Certainly after your exhaustive and exhausting hearings, no other committee of Congress will dignify the insinuations, innuendo, rumors and falsifications of the Downey-Elliott campaign against the Bureau of Reclamation.

Since the specific charges listed in the committee's original press release have been refuted by Department witnesses, I need not go in to them. However, as the hearings progressed a number of points were raised reflecting on personalities or affecting the issue of sound administration of the Reclamation laws for the benefit of the people of the western states. I wish to give the committee my views on them.

Commissioner Straus and Regional Director Boke were subjected to both personal and official attack and aspersion. I have been responsible for their work for over two years, though both antedate me in the Department. I have found them unusually able, sincere, honest, diligent and completely trustworthy. They are administering the reclamation law in the best possible manner. I think the Federal government is fortunate to have men of their caliber in such important positions.

The Bureau of Reclamation was accused of wasting millions of dollars in a propaganda campaign in the Central Valley of California. That, of course, is ridiculous. With regard to the dissemination of information on bureau activities, that is a necessary, legal and important part of the bureau's administrative job. Potential water users cannot be asked or expected to sign a contract about which they know nothing. Congress cannot be asked to vote on appropriations for or authorize a project on which there is no report. Information must be collected and disseminated so that the interested people can know what is being done. When erroneous or distorted information is spread, as has been done in California by some of the same people who used this committee as their forum, Reclamation's information responsibility becomes more burdensome.

It has been suggested that only an engineer is qualified to supervise a reclamation activity. This too is ridiculous. Reclamation law administration requires legal, accounting, agricultural, investigating, engineering and many other kinds of work. Because it affects the western water law which has been frequently discussed here, you could as easily say it needs a lawyer.

Actually, it requires a good administrator who can correlate all of these phases and many more and see that they are combined to bring rapid and effective investigation, land classification, construction, operation and maintenance within the Reclamation law Congress wrote. Such an administrator could have gained his early experience as a lawyer, engineer, accountant, journalist, or as a congressman. The question for me as the responsible official is, "Does he know his job?" and, "Can he get the work done?"

The committee has heard much testimony on the subject of carryovers, most of it repetitiously irrelevant. Virtually every government construction activity results in carryovers, whether it is in shipbuilding or dam building. These are funds appropriated for a specific purpose, which could not be expended during that year because of a slowed production schedule, unavailability of parts or labor or similar events beyond control of the construction agency. They must be held to pay the contractor after he delivers the material or completes the work. This committee knows well that in the past two years delivery dates and completion dates have been hard to estimate accurately because of shortages of materials and labor. In such circumstances, predictions as to amounts of carryover, or uncompleted work, are a guess until the final check is made at the end of the fiscal year. Instead of being shocked at the disparity of the two figures estimated for carryover in the Central Valley, I was pleased that they showed the same trends and particularly that the second one, weeks before the end of the fiscal year, was so nearly accurate.

Testimony was received here intended to reveal dissatisfaction by Bureau employees with the present administration of the Bureau. One disgruntled employee was brought in from Denver. Aside from some observations of political views and personal desires, the only substantive charge made was that the transfer of engineers out of the Bureau's Denver engineering headquarters had disrupted morale and resulted in resignation of a number of competent engineers. I want to point out that the so-called Denver limitation was imposed in the Interior Appropriation Act of 1947 over my strenuous objections and those of Commissioner Straus and every other representative of the Department. It was written into the act last year for the avowed purpose of dispersing engineers from Denver to the field and was repeated in this year's act after the Chief Engineer of Reclamation had pleaded with both House and Senate Committees not to so impair the work of professional engineers.

With regard to the implications on morale of Bureau employees, I have some definite evidence. I have visited all the major and many minor reclamation projects in the last two years. At times I have been accompanied by the Commissioner, at times by the Regional Director, at times by the project engineer, at times by no Bureau official and at times by members of Congress. I have talked to local engineers, reclamation farmers, irrigation district officers, governors, canal cleaners and ditch-riders. I have found an unusual esprit-de-corps and general confidence and pride in the Bureau's leadership. I have had many contacts with the Bureau of Reclamation during the past decade, and in my judgment the morale of its employees has never been at a higher level. Certainly the Bureau has never worked harder, nor has it ever attempted a bigger job.

It has been charged that the Central Valley Project was shut down in November 1947 for a "corrupt" purpose, that corrupt purpose later being identified in your record as securing additional appropriations from Congress. Neither of these is true. The project was not shut down, -- only four contractors on the Friant-Kern Canal ceased some work on their own motion. The money earmarked for these contractors ran out because they were able to speed up construction because, in turn, they were able to overcome earlier shortages of labor and equipment. Other contractors in similar situations continued to work in the expectation that additional funds would be appropriated, as they were.

In conclusion, Mr. Chairman, I wish you to know that the Interior Department is glad to have had the opportunity to refute the evidence which was initially presented to you. I think the hearings have been helpful only in that they have provided belated opportunity to answer effectively and conclusively all of the assorted wild charges made against the Bureau of Reclamation.